

## Tax Burden

Type of Tax	Based on Income		Based on Population		Number of States* with Tax
	% of U.S. Average	Rank	% of U.S. Average	Rank	
Individual Income	122.1	16	99.2	23	44
Corporate Income	93.5	21	75.9	25	47
Sales	93	31	75.5	39	47
Motor Vehicles	181.9	4	147.7	6	51
Property	93.2	29	75.7	36	51
Overall	101.1	20	82.1	39	51

\*Includes Washington, D.C.

- ◆ The State Tax Commission conducts an annual tax burden study which compares Idaho's taxes to the national average after adjusting for differences in income or population among the states (*Comparative Tax Potential: Fiscal Year 2000*, Alan Dornfest, March 2003). The comparison based on income shows higher comparative taxes in Idaho than the ranking based on population because per capita income in Idaho is 18.8% lower than the U.S. average.
- ◆ The study reveals that Idaho levies steeper motor vehicles taxes than most other states. This comparison takes registration fees into account, but not sales taxes, or personal property taxes. A June 2002 comparison by the Washington State Department of Transportation put Idaho at 15th based on Fuel Tax Rates alone.
- ◆ Although the data show Idaho with a relatively high income tax burden (16th for Individual and 21st for Corporate), this study was based on information collected prior to the income tax rate cuts passed by the 2001 Legislature. Although Idaho was not the only state to reduce income tax rates in 2001, Idaho could fall lower in the FY 2002 income tax burden rankings.
- ◆ Idaho's tax burden ranks in the bottom half of states in two of the five major tax categories. These are the Sales Tax (31st out of 47) and Property Tax (29th out of 51 including the District of Columbia). However, this tax study does not take into account Idaho's 2003 sales tax increase which will likely move Idaho up in the FY 2004 rankings.
- ◆ Overall, Idaho's FY 2000 tax burden from *major* state and local taxes ranks just over the US average when adjusted for income but well below average on a per capita basis.